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May 18, 2017

BY ECF

Hon. Colleen McMahon
Chief U.S. District Judge
United States District Court
Southern District of New York
500 Pearl Street, Room 1640
New York, New York 10007-1312

Re: Guevoura Fund Ltd. v. Sillerman, et al., No. 15-cv-07192-CM

Dear Judge McMahon:

We write on behalf of defendants D. Geoffrey Armstrong, John Miller, and Michael John Meyer, together with defendant Robert F.X. Sillerman (collectively, "Defendants") and plaintiff Guevoura Fund Ltd. ("Class Plaintiff"), in response to your order, dated May 11, 2017 (Dkt. No. 110), requesting that the parties report on the status of the above-captioned litigation and propose deadlines for the completion of discovery and submission of the joint pretrial order.

The parties to this litigation have been engaged in mediation discussions. Shortly after the defendants (other than SFX Entertainment Inc., which was subject to the automatic bankruptcy stay) answered the complaint, the parties determined to engage in non-binding mediation with the assistance of former U.S. District Judge Layn Phillips in an effort to reach a negotiated, and global, resolution. The mediation involved the parties to this litigation and other parties making related claims, including the parties to the related action in New York State Supreme Court captioned *Altimeo Investissement v. Sillerman et al.*, No. 651084/2016 (N.Y. Sup. Ct.), as well as the litigation trustee established pursuant to the Fifth Amended Joint Plan of Reorganization of SFX Entertainment, Inc. under Chapter 11 of the Bankruptcy Code. It took time to find a mediation date mutually convenient to three sets of plaintiffs, two sets of Defendants, three insurance carriers, and the mediator, and the parties ultimately participated in an all-day mediation session on April 18, 2017. Since then (and including several calls this week), the parties and the mediators have continued to work with Judge Phillips to seek a global resolution through the mediation process.

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Pivotaly, although defendants are covered by directors' and officers' insurance policies applicable to Class Plaintiff's (and the other parties') claims, the amount of that coverage is finite, and covers, *inter alia*, Defendants' defense costs. Indeed, the damages claimed by plaintiff, the state court plaintiffs, and the litigation trustee each far exceed that coverage. Since that insurance coverage — which we believe is, as a practical matter, the source of any meaningful potential recovery by the three sets of plaintiffs — is a wasting asset, the parties wish a little more time to attempt to resolve the litigations before the policies are further depleted.

To that end, the parties request an additional thirty (30) days to submit proposed dates as set forth in the Court's previous order while the parties attempt to finish the mediation process. After the 30-day extension period has expired, if the parties have not reached a settlement, they will submit a joint discovery plan and proposed deadline for the joint pretrial order within seven (7) days thereafter. Moreover, if it becomes clear to the parties during the 30-day period that there will not be a resolution, the parties will promptly notify the Court and will submit a joint discovery plan and a proposed deadline for the joint pretrial order within seven days of such notice.

Respectfully submitted,



Catherine B. Schumacher / S.F.S.

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cc: All Counsel of Record (by ECF)